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memorandum

Office of the Director

To/MS: All Employees

From/MS: G. Peter Nanos, DIR, MS A100

Phone/Fax: 7-5101/Fax 7-2997

Symbol: DIR-04-242

Date: July 16, 2004

Subject: Suspension of All Activities

Suspension of All Activities

The Senior Executive Team and I have taken the extraordinary step of broadening the work suspension to include all activities at the Laboratory. We are doing this as part of an effort to ensure this Laboratory operates safely and meets our national security obligations. This action is not due to lack of confidence in your ability to do your jobs, nor is it punitive in any way. I'm simply convinced that we need time to reflect on our shared responsibilities and on how we do our jobs.

In extending this suspension from classified to all activities, the SET and I have asked for a point-to-point risk assessment of all the Laboratory's day-to-day activities. I've asked your managers to provide each of you the information you need to comply with this suspension of work, and they will tell you what will be required before we resume work. This will be a staggered restart; some low-risk organizations will be back at work quickly, while the process may take more time for others. The overall duration will depend on the formalities, complexities and risks identified in each part of the Laboratory's operations. I've asked Ed Wilmot, Los Alamos Site Office Manager to loan us all the expertise available at LASO, and his safety and security team will be working with us as partners in this process. Of course, there will be exceptions for critical missions and essential functions. I will examine critical aspects of our national security mission on a case-by-case basis and grant a limited number of exceptions for work that must be sustained during the suspension. However, those functions given an exception must still identify vulnerabilities and implement action plans addressing such vulnerabilities.

We will be reviewing every organization's activities as well as their performance. I am insisting that every group leader talk to each of his or her employees, work with them to analyze the safety, security and environmental risks, and recommend restart to his or her division only when convinced all the local compliance issues have been addressed. Division leaders, in turn, will follow the same process with their associate directors. In no case will I authorize a restart until I'm absolutely convinced that each organization will not risk further compromise of safety, security and environment. I've asked all Laboratory managers to talk with their employees one on one to make sure they understand their roles in ensuring a safe work environment and vigilant focus on security. This is NOT an e-mail exercise; I want eye-to-eye contact.

As I said during Wednesday's all-hands meeting, I want you to be aware how serious this situation is, and I will keep you informed about what will be happening in the next few days. This week I traveled to Washington D.C. and to Oakland where I met with our customers, members of Congress, UC Regents and University management. Frankly, nobody understands how we have gotten ourselves into this mess. I told them that, in accordance with our policies, people will be terminated if they ignore the safety, security and environmental regulations that are at the core of what we do here. I emphasized to everyone I met with that

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this willful flouting of the rules must stop, and I don't care how many people I have to fire to make it stop. If you think the rules are silly, if you think compliance is a joke, please resign now and save me the trouble.

Energy Secretary Abraham announced yesterday that his Deputy, Kyle McSllarrow, will personally take over the investigation into the most recent CREM incident. In fact, Secretary Abraham ordered Deputy Secretary McSllarrow to use "all available mechanisms" to find the missing CREM, including polygraphs. McSllarrow will be visiting the Laboratory on Monday morning. They will see first-hand the vaults and other locations that are the focus of the CREM investigation, and hear from some of the managers involved in an attempt to understand exactly what happened. They will be accompanied by Representative Joe Barton from Texas, who chairs the House Energy and Commerce Committee, and Rep. Diana Degette from Colorado, a committee member. President Dynes, UC Board of Regents chairman Gerald Parsky, and other regents plan to visit soon as well, and their message could not be more clear: the culture at LANL must change and it must change now if UC is to continue as lab manager.

You may already have seen media accounts of what individuals are saying about the laboratory and these recent events. Perhaps this outside view will help you understand just how serious this situation has become.

People who believe their dedication to science or to our mission supercedes our commitments to safety, security and environmental compliance put us all at risk. This erroneous belief puts our personal safety on the job, our nation's security which depends on protecting classified information, and the institution to which we've dedicated our careers at risk. After the all-hands meeting, I received a lot of feedback from you and I appreciate the time and thoughtfulness you put into your messages. I was especially gratified by one note in which a group of employees talked about the "institutional embarrassment" of the current situation and their collective sense of outrage at the actions of a tiny minority.

I've asked all of your managers to truly lead and to step up to this challenge for the sake of their employees and our nation's trust. As leaders, I want them to take a more active role in supervising the activities of those for whom they are responsible. I've asked them to personally ensure that each employee is working safely and securely, and to stop any activity that concerns them. When we resume work, I ask one thing of you: a dedication to safety, security and compliance that is equal to your dedication to the Laboratory's mission. Your fellow citizens deserve nothing less.

GPN:joa

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